



Annual Report 2017
Saving More Lives

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EXHIBIT

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Item 6. Selected Financial Data

Selected financial data for the last five fiscal years ended December 31 is summarized in the table below.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)	2017 ^{1) 4)}	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ^{1) 4)}
Sales and Income					
Net sales	\$ 10,383	\$ 10,074	\$ 9,170	\$ 9,240	\$ 8,803
Operating income	605	848	728	723	761
Income before income taxes	507	804	676	667	734
Net income attributable to controlling interest	427	567	457	468	486
Financial Position					
Current assets excluding cash	3,245	2,914	2,705	2,607	2,582
Property, plant and equipment, net	1,973	1,658	1,437	1,390	1,336
Intangible assets (primarily goodwill)	1,854	2,083	1,794	1,661	1,687
Non-interest bearing liabilities	3,039	2,765	2,518	2,400	2,364
Capital employed	4,549	4,240	3,670	3,504	3,489
Net debt (cash)	379	313	202	62	(511)
Total equity	4,169	3,926	3,468	3,442	4,000
Total assets	8,550	8,234	7,526	7,443	6,983
Long-term debt	1,322	1,324	1,499	1,521	279
Share data					
Earnings per share (US\$) – basic	4.88	6.43	5.18	5.08	5.09
Earnings per share (US\$) – assuming dilution	4.87	6.42	5.17	5.06	5.07
Total parent shareholders' equity per share (US\$)	46.38	41.69	39.22	38.64	42.17
Cash dividends paid per share (US\$)	2.38	2.30	2.22	2.12	2.00
Cash dividends declared per share (US\$)	2.40	2.32	2.24	2.14	2.02
Share repurchases	157	—	104	616	148
Number of shares outstanding (million) ²⁾	87.0	88.2	88.1	88.7	94.4
Ratios					
Gross margin (%)	20.7	20.4	20.1	19.5	19.4
Operating margin (%)	5.8	8.4	7.9	7.8	8.6
Pretax margin (%)	4.9	8.0	7.4	7.2	8.3
Return on capital employed (%)	13	20	20	21	22
Return on total equity (%)	7	15	14	12	13
Total equity ratio (%)	49	48	46	46	57
Net debt to capitalization (%)	8	7	6	2	N/A
Days receivables outstanding	74	74	73	71	70
Days inventory outstanding	33	33	33	32	31
Other data					
Airbag sales ^{3), 5)}	5,342	5,256	5,036	5,019	4,822
Seatbelt sales ⁵⁾	2,794	2,665	2,599	2,800	2,773
Restraint control and sensing sales ⁵⁾	997	1,031	923	932	863
Active safety sales	777	739	611	489	345
Brake control system sales	473	383	—	—	—
Net cash provided by operating activities	936	868	751	713	838
Capital expenditures, net	570	499	450	453	379
Net cash used in investing activities	(697)	(726)	(591)	(453)	(377)
Net cash (used in) provided by financing activities	(566)	(200)	(319)	226	(318)
Number of employees, December 31	63,000	61,500	54,600	50,800	46,900

- 1) Costs in 2017, 2016, 2015, 2014 and 2013 for capacity alignments, antitrust matters, separation of our business segments (2017) and goodwill impairment (2017) reduced operating income by (millions) \$287, \$37, \$166, \$120 and \$47, respectively, and net income by (millions) \$245, \$29, \$131, \$80 and \$33. This corresponds to 2.8%, 0.4%, 1.8%, 1.3% and 0.6% on operating margins and 2.4%, 0.3%, 1.4%, 0.9% and 0.4% on net margins. The impact on EPS was \$1.71, \$0.33, \$1.48, \$0.87 and \$0.34 while return on total equity was reduced by 5.8%, 0.7%, 1.7%, 1.9 % and 0.8% and for the same five-year period. 2) At year-end, excluding dilution and net of treasury shares. 3) Incl. steering wheels, inflators and initiators. 4) Including adjustments to record a non-cash valuation allowance for deferred tax assets of \$39 million on net income and capital employed, and \$0.41 on EPS and total parent shareholder equity per share in 2013. In 2017, a reversal of valuation allowances of \$117 million for deferred tax assets, net income and capital employed, and \$1.12 on EPS and total parent shareholder equity per share. 5) Including Corporate and Other sales.